

APPENDIX A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|---|----------|---|--|-----------------|---------------------|------------------------------------|
| Department of Corrections | | | | | | |
| 1 | 33 | Improve its oversight of inmate banking activities at private facilities to ensure that complete and accurate documentation is maintained to support all activity in inmate bank accounts. In addition, procedures should be implemented to assure that private facilities are properly enforcing DOC Administrative Regulations and ensuring accurate processing of inmate account activity. | N/A | Agree | 4/2006 | N/A |
| 2 | 35 | Improve policies and procedures for inventory counts at year end and modify as deemed necessary to ensure that inventory counts are properly supervised and are accurate and complete. | N/A | Agree | 6/2006 | N/A |
| Department of Health Care Policy and Financing | | | | | | |
| 3 | 38 | Routinely reconcile accounts receivable balances on COFRS (the State's accounting system) to subsidiary ledgers and make necessary adjustments in a timely manner. | N/A | Agree | 12/2006 | N/A |
| 4 | 40 | Ensure that all entries are properly substantiated and properly posted to COFRS. | N/A | Agree | 7/2006 | N/A |
| 5 | 41 | Assign ongoing responsibility for monitoring the establishment and liquidation of estimates made at year end for Incurred But Not Reported estimates. | N/A | Agree | Implemented | N/A |

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| 6 | 42 | Amend its contract with the Children's Basic Health Plan Administrative Services Organization (ASO) to specifically require the ASO to repay to the Department any overpayments identified in the annual reconciliation of payment advances to actual expenditures. | N/A | Agree | 7/2006 | N/A |
| 7 | 44 | Make immediate improvements to its internal controls over financial reporting by (a) performing a comprehensive review of its current internal control structure for adequacy and strengthening controls where necessary, especially in the areas of report generation, account reconciliation, and exhibit preparation; (b) ensuring that adequate supervisory review of all employees' work takes place prior to entry into COFRS and prior to submission to the State Controller or other management; and (c) providing training for staff on the specific requirements of the Medicaid program and the accounting for such issues. | N/A | Disagree | N/A | N/A |
| 8 | 47 | Ensure that state funds held in depositories are in compliance with statutory and other legal requirements by regularly monitoring deposit account balances, reviewing existing sweep triggers for appropriateness, and working with the State Treasurer to lower sweep triggers for accounts as appropriate. | N/A | Partially Agree | 8/2006 | N/A |

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| 38 | 149 | Improve controls over eligibility determination for the Medicaid program by (a) establishing an effective means for documenting and substantiating beneficiary eligibility determinations for each paid claim, (b) identifying programming problems and eliminating areas where controls can be manually circumvented to resolve specific issues in the program eligibility determination, (c) reviewing eligibility data in the Colorado Benefits Management System (CBMS) for accuracy and consistency with source and certified documentation via scanned or copied documentation maintained in the files, and (d) consider requiring all employees utilizing CBMS to have attended core training courses to ensure CBMS is populated with data consistently and accurately and in accordance with system parameters. | 93.777, 93.778 (E) HHS | a. Agree b. Agree c. Partially Agree d. Agree | a. 3/2006 b. 8/2006 c. In Process and Ongoing d. 9/2006 | Donna Kellow (303)866-3676 |
| 39 | 153 | Ensure all information is reported correctly in the Quarterly Federal Cash Transaction Report during the quarter in which funds are received by implementing a review process to ensure all reports are accurate prior to submission. | 93.767 (L) HHS | Agree | 8/2006 | Donna Kellow (303)866-3676 |
| 40 | 155 | Improve controls over Single Entry Points (SEPs) by implementing procedures to monitor and review audit reports timely to ensure compliance with contractual requirements and propriety of SEP expenditures. | 93.777, 93.778 (N) HHS | Agree | 7/2006 | Donna Kellow (303)866-3676 |
| 41 | 156 | Take necessary action to ensure accurate tab runs are generated on a timely basis and that required audits of cost report data are performed timely. | 93.777, 93.778 (N) HHS | Agree | 6/2008 | Donna Kellow (303)866-3676 |

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| 42 | 158 | Strengthen its disaster recovery procedures over the Medicaid Management Information System (MMIS) and Colorado Benefits Management System (CBMS) by (a) enforcing provisions in the fiscal agent's contract that allow HCPF access to the disaster recovery plan at the Department, (b) switching all MMIS users over to the new hardware to help ensure that claims processing would continue in the event of an emergency, (c) completing the MMIS disaster recovery test to ensure that all subsystems are operational and establishing a plan for periodic subsequent testing, and (d) ensuring that the CBMS Hot Site in Pueblo is operating and functional and that a full disaster recovery test is performed. | 93.777, 93.778 (N) HHS | a. Agree b. Partially Agree c. Partially Agree d. Agree | a. Implemented b. 2/2006 c. 10/2006 d. 9/2006 | Donna Kellow (303)866-3676 |
| Department of Higher Education | | | | | | |
| Colorado Historical Society | | | | | | |
| 9 | 52 | Improve controls over COFRS access by (a) ensuring that COFRS access for employees includes only what employees need to accomplish their job responsibilities, (b) reviewing COFRS access for employees on a periodic basis to ensure each employee's access is reflective of current job duties, and (c) reviewing security violation reports periodically or implementing alternative procedures for monitoring information system security violations | N/A | Agree | 3/2006 | N/A |

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| University of Colorado | | | | | | |
| 43 | 164 | Ensure the proper number of days for each term is used in the Return of Title IV Funds calculations. Procedures should be established, including management review of calculations on a test basis, to ensure that the correct date of determination is used to avoid potential late returns, and that amounts are properly applied to applicable federal programs. | 84.007, 84.033, 84.038, 84.063, 84.268 (N) DOE | Agree | 6/2006 | Mary Catherine Gaisbauer (303)492-9712 |
| 44 | 165 | Ensure the Denver Campus strengthens procedures to ensure that all elements of the FISAP are accurate. Such procedures should include a formal review that agrees amounts reported to supporting documentation and reconciliation procedures to verify that the information is accurate prior to submission. | 84.007, 84.032, 84.033, 84.038, 84.063 (L) DOE | Agree | 9/2006 | Mary Catherine Gaisbauer (303)492-9712 |
| Colorado State University | | | | | | |
| 45 | 168 | Review on a timely basis the calculation of the amount of Title IV funds to be returned, which should be performed by someone other than the preparer and evidence of the review should be documented. | 84.033, 84.038, 84.063, 84.268 (C) DOE | Agree | 3/2005 | Ed Ruotsinoja (970)491-1359 |
| 46 | 169 | Ensure that required reports are being submitted on a timely and accurate basis by adhering to its current policy. | 10.664 (L) USDA | Agree | 3/2006 | Ed Ruotsinoja (970)491-1359 |
| 47 | 170 | Continue to review the List of Parties Excluded From Federal Procurement or Nonprocurement Programs prior to contracting with vendors for services to be paid from federal grants. | 10.664 (I) USDA | Agree | 9/2004 | Joanne Ballard (719)549-2307 |

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| Colorado State University - Pueblo | | | | | | |
| 48 | 171 | Strengthen controls surrounding cash management by (a) requiring a full-time employee instead of a student employee to process periodic draw downs; (b) continuing to require a segregation of duties between the calculating, processing, and reviewing of draw downs; (c) implementing a monitoring control for draw downs made during peak enrollment periods; and (d) determining the amount of the draw downs based on actual disbursements made. | 84.007, 84.033, 84.063 (C) DOE | Agree | Implemented | Joanne Ballard (719)549-2307 |
| 49 | 173 | Establish procedures to ensure that Title IV funds are being returned promptly and correctly by ensuring that the correct number of semester days are calculated by appropriate personnel. | 84.007, 84.033, 84.063 (N) DOE | Agree | Implemented | Joanne Ballard (719)549-2307 |
| 50 | 174 | Implement monitoring procedures over the verification process for data submitted by financial aid applicants. | 84.007, 84.033, 84.063 (N) DOE | Agree | Implemented | Joanne Ballard (719)549-2307 |
| 51 | 175 | Continue to implement procedures to ensure all elements of the Fiscal Operations Report and Application to Participate (FISAP) are accurate. | 84.007, 84.033, 84.063 (L) DOE | Agree | 9/2006 | Joanne Ballard (719)549-2307 |
| University of Northern Colorado | | | | | | |
| 52 | 176 | Review the current system in place to ensure that all Perkins borrowers entering repayment have completed the required exit interview. | 84.038 (N) DOE | Agree | Implemented | Julie Lorton (970)351-2406 |

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| Colorado School of Mines | | | | | | |
| 53 | 178 | Maintain documentation supporting any professional judgment changes related to student financial aid in the respective student's file. | 84.007, 84.033, 84.038, 84.063 (E) DOE | Agree | 4/2006 | Roger Koester (303)273-3207 |
| 54 | 179 | Implement a procedure to assure that Title IV funds are not being credited to a student's account prior to ten calendar days before the first day of classes of a payment period. | 84.007, 84.033, 84.038, 84.063 (C) DOE | Agree | 4/2006 | Roger Koester (303)273-3207 |
| 55 | 179 | Implement a procedure to assure timely reporting of Federal Pell Grant disbursements. | 84.007, 84.033, 84.038, 84.063 (C) DOE | Agree | 4/2006 | Roger Koester (303)273-3207 |
| 56 | 180 | Implement a review process such that the Financial Operation Report and Application to Participate (FISAP) is reviewed and approved by someone other than the preparer. | 84.007, 84.033, 84.038, 84.063 (L) DOE | Agree | 6/2006 | Roger Koester (303)273-3207 |

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| 57 | 182 | Expand its procedures for the monitoring of subrecipients to include review of the Federal Audit Clearinghouse (FAC) database and the monitoring of for-profit subrecipients in order to be in compliance with federal requirements. | 10.206, 11.430, 11.609, 11.IP4 013, 11.IP4016, 11.IPA#IP2013, 11RA1341-05-SE-1341, 12.300, 12.431, 12.800, 12.910, 12.DAAD19-01-1-0375, 12.DAAD19-01-1-0590, 12.DAAD19-02-1-0221, 12.DAAD19-03-1-0315, 12.DAAH01-03-C-R059, 12.DACA42-03-C-0067, 12.DACA72-02-C-0012, 12.DACA72-02-C-0019, 12.DAMD17-02-P-0333, 12.DARPA II SB022-042, 12.F29601-02-C-0222, 12.F33615-01-C-2126, 12.F33615-03-D-2353, 12.F41624-00-D-8024TO24, 12.F41624-02-C-8085, 12.F49620-02-1-0152, 12.F49620-03-C-0065, 12.FA4819-04-C-022, | Agree | 6/2006 | Mary Mittag-Miller (303)273-3405 |

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| | | | 12.FA8650-04-C-5044, 12.FA8650-04-C-5224, 12.FA8903-04-D-8715, 12.FA9550-04-C-0111, 12.N00014-03-C-0492, 12.N00167-02-M-0661, 12.N00173-04-P-1249, 12.N47408-04-P-6916, 12.SG- 6BW266GGAW5, 12.W9113M-05-C- 0119, 12.W911NF-04- 1-0430, 12.W912HQ- 04-C-0009, 12.W912HQ-04-C- 0040, 12.W912HZ-05- P-0120, 15.0101PO18117, 15.0103PO72188, 15.0103PO72420, 15.0103PO73498, 15.04-FC-81-1053, 15.04CRSA0157, 15.04CRSA0840, 15.1435-01-04-36637, 15.504, 15.807, 15.808, 15.810, 15CMK00000003, 15.G-4146-1, 15.UNKNOWN, | | | |

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| | | | 15.WRF-03-014, 17.B2532537, 43.1258425, 43.505- C29-011, 43.JPL NASA T/O 10517, 43.NAG 9- 1364, 43.NAG 9-1535, 43.NAG5-12754, 43.NAG5-12971, 43.NCC8-238, 43.NNC04AA13A, 43.NNCO4GA97G, 43.NNG04GL90G, 43.NNG04GN40G, 43.NNG05GC04G, 43.NNJ05HD86G, 43.NNJ05HE13G, 43.NNJ05JB88C, 43.NNL04AJ28P, 43.NNM05AA88C, 43.NNT04AA07C, 43.NOF-BOBS-1, 43.PO# 21-001, 43.PO# C90044N, 43.UCF- FY04/NAS1003006, 47.041, 47.049, 47.050, 47.070, 47.075, 47.076, 47.078, 47.079, 47.ANI-0240558, 47.DAM-9876135, 47.DMI-0340259, | | | |

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| | | | 47.DMR-0313925, 47.DMR-9985221, 47.DUE-0296002, 47.DUE-0325492, 47.NAE-5944-04-001, 47.REC-0330760, 47.SES-0310592, 61.ITC-PO-05-0035, 66.500, 66.509, 66.511, 66.606, 66.EPA C R 827881-01-0, 66.R- 82950001, 81.00292- 001-04 3N, 81.049, 81.057, 81.086, 81.089, 81.121, 81.16063-001- 05, 81.282795/PO#A0344, 81.28350, 81.31677, 81.403684, 81.4F- 02001, 81.53084, 81.63571, 81.93670- 001-04 47, 81.95813- 001-04 4X, 81.ADJ-2- 30630-05, 81.DE- AC09-96EW96405, 81.DE-AP26- 05NT50171, 81.DE- FC04-02AL67621, 81.DE-FC07- 97ID13554, | | | |

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| | | | 81.DE-FC26-02NT15342, 81.DE-FC26-04NT42098, 81.DE-FC26-98BC15118, 81.DE-FC36-01ID14242, 81.DE-FC36-04GO14230, 81.DE-FC36-97ID13554, 81.DE-FG02-03ER15390, 81.DE-FG02-03ER41242, 81.DE-FG02-04ER54775, 81.DE-FG02-04ER63900, 81.DE-FG02-04ER86197, 81.DE-FG02-93ER40789, 81.DE-FG02-95ER14568, 81.DE-FG02-98ER14908, 81.DE-FG03-01ER63242, 81.DE-FG04-01AL67212, 81.DEFC2603NT41849, 81.KCQ-0-30600-09, 81.KH 023299, 81.KXDJ-0-30600-34, 81.KXEA-3-33607-04, 81.KXEA-3-33607-05, | | | |

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| | | | 81.KXEA-3-33607-06, 81.KXEA-3-33607-07, 81.KXEA-3-33607-08, 81.KXEA-3-33607-09, 81.KXEA-3-33607-10, 81.KXEA-3-33607-11, 81.KXEA-3-33607-12, 81.KXEA-3-33607-13, 81.KXEA-3-33607-14, 81.NDJ-2-30630-11, 81.NDO-2-30628-07, 81.NN-SRA-00004 TO 0001, 81.NN-SRA- 00004 TO 002, 81.NN- SRA-0004 TO 003, 81.NN9SRA-00004 TO 004, 81.P.O. NO. 7- 9629, 81.PO 03095 FY03, 81.PO 26801, 81.PO 66962, 81.PO#173797, 81.PO#A0344/228627, 81.W-31-109-ENG-38, 81.XAT-5-55150-01, 81.XCE-5-55513-01, 81.XCO-2-32042-01, 81.XDJ-2-30630-27, 81.XEA-4-33659-01, 81.XEA-4-44218-01, 81.XEA-5-44245-01, | | | |

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| | | | 84.070183-1, 84.116, 84.200, 93.1R01 OH007493-01A2, 93.223-04-3004, 93.262, 93.286, 93.D3921303, 93.U60/CCU816929-05 (M) Various | | | |
| 58 | 183 | Establish and implement procedures to review Federal SF-272 reports prior to submission to ensure the reports are accurate and that supporting documentation agrees with the reported amounts. | See Rec. No. 57 for CFDA Nos. (L) Various | Agree | 3/2006 | Mary Mittag-Miller (303)273-3405 |
| 59 | 183 | Implement procedures ensure that the requirements for determining federal awards expended as defined under OMB <i>Circular A-133</i> are reviewed and followed in reporting federal expenditures to the State Controller's Office. | 84.007, 84.033, 84.038, 84.063 (L) DOE | Agree | 6/2006 | Roger Koester (303)273-3207 |
| <p style="text-align: center;">Colorado Community College System Pueblo Community College</p> | | | | | | |
| 60 | 186 | Communicate to students the proper amount of unearned aid to be returned. | 84.063 (N) DOE | Agree | 3/2006 | Colleen Armstrong (719)549-3005 |

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| Colorado Community College System Arapahoe Community College | | | | | | |
| 61 | 187 | Establish procedures to ensure that students are not allowed additional days of eligibility before they are reported to the National Student Loan Data System and that school break days are calculated correctly. | 84.063 (N) DOE | Agree | 2/2006 | Joe Lorenzo (303)797-5711 |
| Colorado Community College System Front Range Community College | | | | | | |
| 62 | 188 | Establish procedures to have a supervisory review of the Return of Title IV calculations. | 84.063 (N) DOE | Agree | 6/2006 | Mike Kupcho (303)404-5546 |
| 63 | 189 | Establish procedures to ensure that the institution's portion of a student's unearned Title IV funds are returned within 30 days after the College has determined a student has withdrawn from school and that proper amounts are used in the calculation. | 84.063 (N) DOE | Agree | 6/2006 | Mike Kupcho (303)404-5546 |
| Adams State College | | | | | | |
| 64 | 191 | Improve controls over federal funds by (a) identifying and correcting financial aid data errors timely and improving the authorization process so that federal funds drawn are adequate to meet the cash flow demands for related expenses and (b) evaluating the Financial Aid office staffing needs and continuing to cross train personnel and developing a comprehensive instruction manual in the Financial Aid Department to minimize disruption when personnel are absent. | 84.007, 84.033, 84.038, 84.063 (C) DOE | Agree | 6/2006 | Bill Mansheim (719)587-7728 |

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| Fort Lewis College | | | | | | |
| 65 | 192 | Document its internal control policies and procedures and communicate them clearly to employees with responsibilities for monitoring compliance with Perkins loans requirements. | 84.038 (N) DOE | Agree | 6/2006 | Valerie Borge (970)247-7368 |
| Metropolitan State College | | | | | | |
| 66 | 194 | Ensure that federal requirements for return of funds under Title IV are met by changing the approach to calculating the number of days per semester and improving the timeliness of returning funds to the respective programs and lenders when a student withdraws from the institution. | 84.007, 84.063, 84.268 (N) DOE | Agree | 6/2006 | Jinous Lari (303)556-5009 |
| Colorado College Access Network | | | | | | |
| 67 | 196 | Continue to improve controls over repurchased loans by reconciling the amount supported by the underlying detail on individual loan activity to the liability for reinsurance payments due to the US Department of Education in the general ledger. | 84.032 (N) DOE | Agree | 7/2005 | Michael Glowacki (303)505-3000 |

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| 68 | 198 | Establish control procedures over collections on defaulted loans in instances where reinsurance has been received from the US Department of Education (DE) and collections on loans are owed to the DE. The procedures should include monitoring collections received on these loans and reconciling the collections due to the DE supported by the underlying detailed activity to the liability balance in the general ledger of the appropriate fund on a monthly basis. CCAN should also consult with the DE on the treatment of the outstanding liability of \$1,078,024 and the treatment of collections on these types of loans received on or after July 1, 2004. | 84.032 (N) DOE | Agree | 7/2005 | Michael Glowacki (303)505-3000 |
| Department of Human Services | | | | | | |
| 10 | 59 | Establish adequate controls over benefit authorization and issuance data by (a) performing routine and comprehensive reconciliations between the Colorado Benefits Management System, County Financial Management System, the State's electronic benefits transfer (EBT) service provider, and the State's accounting system to ensure that financial information is accurately and completely recorded; (b) ensuring that all reconciliations are reviewed by knowledgeable personnel; and (c) making any necessary adjustments in a timely manner to the appropriate systems. | N/A | Agree | 3/2006 | N/A |

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| 11 | 63 | Improve controls over capital assets by (a) reviewing quarterly capital asset reconciliations to identify and correct errors and ensuring that capital asset accountants are adequately trained on Department policies over capital assets; (b) enforcing the requirement that all capital assets be inventoried at year-end and deleting assets from financial records as appropriate; (c) ensuring capital asset expenditures, including depreciation, are appropriately recorded on COFRS; and (d) transferring costs for completed capital construction projects to appropriate asset accounts prior to year-end close. | N/A | Agree | a. 7/2005 b. 9/2005 c. 9/2005 d. 6/2006 | N/A |
| 12 | 65 | Improve controls over the patient revenue reconciliation process at the Fort Logan Mental Health Institute and the Pueblo Mental Health Institute by ensuring staff members are adequately qualified, trained, and supervised; that reconciliations are adequately reviewed; and that errors are identified and corrected timely. | N/A | Agree | 7/2005 | N/A |
| 13 | 67 | Improve controls over payroll by (a) ensuring time sheets are certified within the Department's stated policy; (b) reviewing adjustments made to ensure adjustments are calculated correctly, made timely, and supported by appropriate documentation; and (c) revising its policy on payouts for compensatory time to be in accordance with State Personnel Rules. | N/A | Agree | a. 3/2006 b. 2/2006 c. 11/2005 | N/A |
| 14 | 69 | Improve controls over amounts owed to or from counties by discontinuing the practice of offsetting abnormal balances related to county administration and instituting a secondary review process over manual adjustments. | N/A | Agree | 3/2006 | N/A |

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| 15 | 71 | The Department of Human Services should work with the Attorney General's Office to determine the potential risk to the State resulting from the Department's existing practice to make bond payments on behalf of service providers. This should include considering revising language in future contracts to eliminate requirements for the Department to make bond payments on behalf of service providers. In the event that service providers with existing bond financing agreements refinance their agreements, the Department should ensure that the provisions in the financing agreement requiring Department payments are revised. The Department should also ensure that all conditions that may result in material liabilities contingent on future events are disclosed annually to the State Controller's Office. | N/A | Partially Agree | 9/2006 | N/A |
| 69 | 202 | Ensure it is in compliance with federal reporting requirements for the Temporary Assistance for Needy Families (TANF) program by (a) immediately addressing Colorado Benefits Management System (CBMS) reporting deficiencies and ensuring that critical predefined reports for sanctions; the Income, Eligibility, and Verification System (IEVS), caseload; clock tick; and accounting-related data are programmed into the system; (b) reviewing monthly critical reports, including those on sanctions, IEVS verifications, and length of benefits, for identifying and investigating discrepancies and monitoring for federal compliance; and (c) reviewing monthly TANF sanction reports and identifying and investigating discrepancies. | 93.558 (L) HHS | Agree | 9/2006 | Dick Taylor (303)866-2732 |

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|-------------|-------------|---|---|--------------------|---|--|
| 70 | 208 | Improve controls over sanctions for the Temporary Assistance for Needy Families (TANF) program and ensure compliance with federal requirements by (a) identifying and correcting Colorado Benefits Management System (CBMS) system errors that are causing inappropriate benefit payments to be made, (b) investigating and correcting problems with the Automated Child Support Enforcement System to CBMS interface to ensure all appropriate information is being transferred, (c) providing training and technical assistance to all county caseworkers on the correct way to enter sanction data into CBMS, (d) formally incorporating reviews of sanctions as part of the current on-site county monitoring process and following up on problems as appropriate, and (e) researching the current system functionality to determine the feasibility of changing the system to limit the ability of county staff to delete sanctions from CBMS and requiring that the case note function be used when deletions are made to a participant's case. | 93.558 (N) HHS | Agree | a. 2/2006 b. 2/2006 c. 9/2006 d. 9/2006 e. 9/2006 | Dick Taylor (303)866-2732 |
| 71 | 211 | Improve subrecipient monitoring over the Temporary Assistance for Needy Families (TANF) program by (a) ensuring performance improvement plans for all areas of noncompliance are received from the counties by the Department's stated due date and (b) ensuring that all county plans are in compliance with federal and state regulations by following up with all counties where issues of noncompliance have been identified. | 93.558 (M) HHS | Agree | 9/2006 | Dick Taylor (303)866-2732 |
| 72 | 213 | Ensure that it is in compliance with federal Income, Eligibility, and Verification System (IEVS) requirements by immediately addressing the problems with the interface between IEVS and the Colorado Benefits Management System to ensure that all data are verified. | 93.558 (E) HHS | Agree | 12/2005 | Dick Taylor (303)866-2732 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|----------|----------|--|--|-----------------|---|------------------------------------|
| 73 | 216 | Improve controls over the Food Stamps program to ensure compliance with federal and state regulations by (a) reinstating on-site management evaluation reviews of county Food Stamps program activities, (b) completing review reports and citing counties for all instances of noncompliance with Food Stamp policies and regulations within 60 days after the review, (c) ensuring corrective action plans for all areas of noncompliance are received from counties within 30 days of the issuance of the monitoring report, and (d) addressing the underlying causes of rising error rates to lower the rates and to ensure that the State does not incur future federal sanctions. | 10.551, 10.561 (M) USDA | Agree | a. 1/2006 b. 1/2006 c. 1/2006 d. 12/2005 | Dick Taylor (303)866-2732 |
| 74 | 220 | Strengthen its controls over federal reporting and immediately address Colorado Benefits Management System (CBMS) reporting deficiencies for the Food Stamps program by (a) ensuring that validated reports are programmed into CBMS so that Department staff have the data necessary to accurately prepare federal Food Stamps reports and perform routine accounting entries, (b) documenting specific procedures for the preparation of the Food Stamps Issuance Reconciliation Report and preparing the report timely, and (c) requiring that the Food Stamp Issuance Reconciliation Report be reviewed by knowledgeable personnel prior to submission to ensure accurate information is reported to the federal government. | 10.551, 10.561 (L) USDA | Agree | a. 7/2006 b. 4/2006 c. 11/2005 | Dick Taylor (303)866-2732 |
| 75 | 222 | Ensure it complies with the federal Davis-Bacon Act for all future federally funded construction projects by requiring locally prevailing wages to be paid by contractors and subcontractors and by obtaining weekly payroll records for all contractors and subcontractors. | 64.005 (D) DVA | Agree | 2/2006 | Dick Taylor (303)866-2732 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|----------|----------|--|---|--|--|---|
| 76 | 224 | Ensure it is in compliance with federal Low-Income Energy Assistance Program (LEAP) reporting requirements by (a) ensuring that staff preparing federal LEAP reports are adequately trained and (b) improving communication between LEAP program and accounting staff to ensure data reported by both divisions are consistent and accurate. | 93.568 (L) HHS | Agree | 7/2006 | Dick Taylor (303)866-2732 |
| 77 | 232 | The Department of Human Services (DHS) and the Department of Health Care Policy and Financing (DHCPF) should ensure that the remaining case backlogs related to “cleansing” and processing guidelines are addressed and continue to work with the appropriate federal agencies to minimize the fiscal impact on the State of benefit payments made to ineligible recipients as a result of Colorado Benefits Management System implementation. | 10.551, 10.561, 93.558. 93.777, 93.778 (E) USDA, HHS | DHS - Agree DHCPF - Partially Agree | DHS - Ongoing DHCPF - Implemented and Ongoing | DHS - Dick Taylor (303)866-2732 DHCPF Donna Kellow (303)866-3676 |
| 78 | 236 | The Department of Human Services and the Department of Health Care Policy and Financing should improve controls over data input into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of social services and Medical Assistance sites to institute effective supervisory review processes over Medicaid, Food Stamps, and TANF data entry into CBMS and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS and areas in which automated tools within CBMS are not used appropriately. | 10.551, 10.561, 93.558. 93.777, 93.778 (E,M) USDA, HHS | DHS - Agree DHCPF - Agree | DHS - 7/2006 DHCPF - 7/2006 and Ongoing | DHS - Dick Taylor (303)866-2732 DHCPF Donna Kellow (303)866-3676 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|----------|----------|--|---|---|--|--|
| 79 | 238 | The Office of the Colorado Benefits Management System (OCBMS), the Department of Human Services, and the Department of Health Care Policy and Financing should consider implementing a requirement that all county, Medical Assistance site, and Department employees with a need to utilize the Colorado Benefits Management System (CBMS) attend core training courses. Users' continued access to CBMS should be contingent upon completion of the core training courses within a specified period of time, and in the case of new users, should be completed prior to obtaining security access to CBMS. Consideration should also be given to whether system enhancements should be made to minimize the risk of certain types of user errors (e.g., no date entered, or date already passed entered for "beginning effective date"). | 10.551, 10.561, 93.558. 93.777, 93.778 (E,M) USDA, HHS | OCBMS - Agree DHS - Agree DHCPF - Agree | OCBMS - Ongoing DHS - Ongoing DHCPF - Ongoing | OCBMS Dr. John Witwer (303)866-6209 DHS - Dick Taylor (303)866-2732 DHCPF Donna Kellow (303)866-3676 |
| 80 | 240 | The Office of CBMS and the Department of Human Services should take immediate steps to correct the "pass-fail-pass" problem identified in the Colorado Benefit Management System to lessen the risk of errors in benefit payments. | 10.551, 10.561, 93.558. (E) USDA, HHS | OCBMS - Agree DHS - Agree | OCBMS - Implemented and Ongoing DHS - Implemented and Ongoing | OCBMS Dr. John Witwer (303)866-6209 DHS - Dick Taylor (303)866-2732 |
| 81 | 240 | The Department of Human Services should use its eligibility determination monitoring procedures to identify and correct over- or underpayments related to the "pass-fail-pass" problem in the Colorado Benefits Management System and any additional system-related problems. Reviews should be targeted to identify additional areas requiring corrections, if necessary. | 10.551, 10.561, 93.558 (E,M) USDA, HHS | Agree | 4/2006 | Dick Taylor (303)866-2732 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|----------|----------|---|--|---|---|--|
| 82 | 244 | The Office of CBMS and the Department of Human Services should ensure that eligibility information obtained for the Food Stamps, Temporary Assistance for Needy Families, and Medicaid programs is verified from other data sources by immediately addressing the problems with the interfaces between the Colorado Benefits Management System and the Automated Child Support Enforcement System and with the federal Income, Eligibility, and Verification System (IEVS). | 10.551, 10.561, 93.558. 93.777, 93.778 (E) USDA, HHS | OCBMS - Agree DHS - Agree | OCBMS - 6/2006 DHS - 5/2006 | OCBMS Dr. John Witwer (303)866-6209 DHS - Dick Taylor (303)866-2732 |
| 83 | 246 | The Office of CBMS ,the Department of Human Services, and the Department of Health Care Policy and Financing should use their eligibility determination monitoring procedures to establish periodic review procedures for each of the Colorado Benefits Management System interfaces to determine if the interfaces are working correctly and investigate and follow up on problems identified as appropriate. | 10.551, 10.561, 93.558. 93.777, 93.778 (E,M) USDA, HHS | OCBMS - Agree DHS - Agree DHCPF - Agree | OCBMS - 7/2006 DHS - 7/2006 DHCPF - Ongoing | OCBMS Dr. John Witwer (303)866-6209 DHS - Dick Taylor (303)866-2732 DHCPF Donna Kellow (303)866-3676 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|----------|----------|---|--|-----------------|---------------------------------|-------------------------------------|
| 84 | 248 | The Office of CBMS ,the Department of Human Services, and the Department of Health Care Policy and Financing should implement a well-defined, accessible archive mechanism in the Colorado Benefits Management System that will eliminate the need for manual interventions to recreate historical eligibility determinations. | 10.551, 10.561, 93.558. 93.777, 93.778 (E) USDA, HHS | OCBMS - Agree | OCBMS - Implemented and Ongoing | OCBMS Dr. John Witwer (303)866-6209 |
| | | | | DHS - Agree | DHS - Implemented and Ongoing | DHS - Dick Taylor (303)866-2732 |
| | | | | DHCPF - Agree | DHCPF - Implemented | DHCPF Donna Kellow (303)866-3676 |
| 85 | 251 | The Office of CBMS ,the Department of Human Services, and the Department of Health Care Policy and Financing should improve the program monitoring over the Medicaid, Food Stamps, and Temporary Assistance for Needy Families programs by (a) developing within the Colorado Benefits Management System predefined reports that contain denied and closed cases for each of the three programs and reports that list by caseworker and county all recipients whose eligibility is subject to redetermination, recipients whose redetermination is in process, or recipients whose cases otherwise require caseworker action and (b) utilizing these reports to improve ongoing review processes over denied and closed cases to ensure determinations and redeterminations made were appropriate and to monitor redeterminations or other instances requiring caseworker action. | 10.551, 10.561, 93.558. 93.777, 93.778 (E,L) USDA, HHS | OCBMS - Agree | OCBMS -7/2006 | OCBMS Dr. John Witwer (303)866-6209 |
| | | | | DHS - Agree | DHS - 8/2006 and Ongoing | DHS - Dick Taylor (303)866-2732 |
| | | | | DHCPF - Agree | DHCPF - a. 5/2006 b. Ongoing | DHCPF Donna Kellow (303)866-3676 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|-------------|-------------|--|---|----------------------------------|--|---|
| 86 | 255 | The Department of Human Services should ensure that Food Stamps and TANF overpayments are appropriately recouped by (a) developing policies that define overpayments resulting from Colorado Benefits Management System (CBMS) defects and overpayments resulting from other errors or omission, either by the county or the recipient; (b) using the Department's established county monitoring procedures to institute targeted reviews of county supervision and caseworker actions related to overpayments and resulting claims; and (c) providing targeted user training on the proper use of CBMS for benefit recoveries. | 10.551, 10.561, 93.558. (E,M) USDA, HHS | Agree | a. Implemented b. 5/2006 c. 8/2006 | Dick Taylor (303)866-2732 |
| 87 | 259 | The Department of Human Services and the Department of Health Care Policy and Financing should improve case file documentation for the Medicaid, Food Stamps, and Temporary Assistance for Needy Families programs by (a) enhancing policies and procedures requiring counties and Medical Assistance sites to maintain paper copies of required documents within a case file until such time when an electronic version can be maintained as an audit trail, and (b) using established monitoring procedures to ensure eligibility information in the Colorado Benefits Management System is adequately supported by documentation in case files. | 10.551, 10.561, 93.558. 93.777, 93.778 (E,M) USDA, HHS | DHS - Agree DHCPF - Agree | DHS - 8/2006 DHCPF - a. 6/2006 b. Ongoing | DHS - Dick Taylor (303)866-2732 DHCPF Donna Kellow (303)866-3676 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|---------------------|---------------------|--|---|----------------------------|--|---|
| 88 | 263 | The Office of CBMS ,the Department of Human Services, and the Department of Health Care Policy and Financing should work with the county departments of social services and Medical Assistance sites to address Colorado Benefits Management System (CBMS)-related issues and concerns including (a) continuing to monitor timeframes for processing applications to ensure processing occurs within state- and federally-required timeframes; (b) developing accurate and reliable reports for monitoring and tracking intake, redeterminations, and case backlogs on a caseworker and county-wide basis; (c) providing electronic or hard copy notices to caseworkers prior to mailing to clients, so that changes due to system issues can be identified and possibly keep client confusion to a minimum; (d) providing ongoing training to the counties on the correct usage of CBMS including requirements related to data entry of information for eligibility determinations; and (e) ensuring counties receive timely support from the help desk in response to issues raised. | 10.551, 10.561, 93.558. 93.777, 93.778 (E) USDA, HHS | OCBMS - Agree | OCBMS - a. Implemented and Ongoing b. 7/2006 c. Implemented and Ongoing d. Implemented and Ongoing e. Implemented and Ongoing | OCBMS Dr. John Witwer (303)866-6209 |
| | | | | DHS - Agree | DHS - Implemented and Ongoing | DHS - Dick Taylor (303)866-2732 |
| | | | | DHCPF - Agree | DHCPF - Implemented and Ongoing | DHCPF Donna Kellow (303)866-3676 |

Department of Labor and Employment

| | | | | | | |
|----|----|--|-----|-------|--------|-----|
| 16 | 75 | Ensure amounts recorded as refunds due to employers for overpayment of unemployment insurance tax are accurate and complete and ensure that the State Unemployment Program E-government Resource (SUPER) system will generate reports listing the detail on refunds owed to individual employers for unemployment insurance tax refunds. | N/A | Agree | 9/2006 | N/A |
|----|----|--|-----|-------|--------|-----|

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|---------------------|---------------------|--|---|----------------------------|--------------------------------|---|
| 17 | 77 | Ensure that the State Unemployment Program E-government Resource system will generate reports listing benefits payable at any point in time and use this information to record benefits payable on the State's financial system. | N/A | Agree | 9/2006 | N/A |
| 18 | 79 | Improve controls over federal expenditure and revenue reporting and draw downs by implementing a periodic reconciliation process to identify and resolve discrepancies between the Financial Accounting and Reporting System (FARS) and COFRS in a timely manner and ensure that grant revenue and expenditures in COFRS are in agreement. | N/A | Agree | 9/2006 | N/A |
| 89 | 268 | Ensure amounts recorded in its reports to the federal government for unemployment benefit activities are accurate. | 17.225 (L) DOL | Agree | 9/2006 | Joe Lambert (303)318-8030 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|------------------------------------|----------|--|--|-----------------|--|------------------------------------|
| Department of Local Affairs | | | | | | |
| 90 | 283 | Improve controls over purchasing and payment processes for the Homeland Security Grant Program by (a) reviewing grant applications and awards to ensure grant funds are only awarded for allowable and reasonable purchases and activities; (b) modifying grant budget and reimbursement request forms to ensure items requested for reimbursement are linked to the appropriate budget line item; (c) improving review of reimbursement requests and payments to subrecipients to ensure that all items and activities reimbursed are allowable, included in the approved grant award budget, and substantiated by appropriate supporting documentation; (d) establishing controls to ensure that all administrative costs paid with grant funds are allowable and appropriate, recorded as administrative expenses, and within the federal grant limits on administrative expenses; and (e) strengthening supervisor review of reimbursement requests. | 16.007, 97.004, 97.008, 97.067 (A)(B) DOJ, DHS | Agree | a. Implemented and Ongoing b. Implemented c. Implemented and Ongoing d. Implemented e. Implemented | Rose Marie Auten (303)866-2252 |
| 91 | 285 | Improve oversight of homeland security grant expenditures by implementing subrecipient monitoring procedures, including (a) conducting regular site visits and desk reviews, (b) developing standard monitoring tools and program checklists to facilitate site visits and desk reviews, and (c) developing and implementing standard follow-up procedures to ensure that subrecipients take timely and appropriate corrective action on all problems identified. | 16.007, 97.004, 97.008, 97.067 (M) DOJ, DHS | Agree | Implemented and Ongoing | Rose Marie Auten (303)866-2252 |
| 92 | 287 | Work with subrecipients to establish policies and procedures for the appropriate storage, use, maintenance, repair, and overall readiness of equipment purchased with homeland security grant funds. | 16.007, 97.004, 97.067 (F) DOJ, DHS | Agree | Implemented and Ongoing | Rose Marie Auten (303)866-2252 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|----------|----------|--|--|-----------------|--|------------------------------------|
| 93 | 289 | Improve controls over the Homeland Security Grant Program to ensure compliance with federal cash management regulations. | 97.004, 97.067 (C) DHS | Agree | Implemented and Ongoing | Rose Marie Auten (303)866-2252 |
| 94 | 295 | Work with appropriate federal and state oversight agencies to evaluate questioned costs associated with the State's Multi-Agency Communication Center (MACC) and determine whether repayment of funds used to finance the MACC is necessary. | 97.067 (A)(B) DHS | Agree | 1/2006 | Rose Marie Auten (303)866-2252 |
| 95 | 299 | Improve its accounting for federal and state grant funds and equipment purchased with those funds by (a) reviewing all South Metro grant expenditures to date and reclassifying expenditures as necessary to ensure that expenditures are paid from the appropriate grant award and (b) working with South Metro to ensure that all equipment is properly inventoried and accurately reflected in both South Metro's and the State's financial statements. | 97.004, 97.067 (A)(B)(F) DHS | Agree | a. Implemented and Ongoing b. 12/2005 | Rose Marie Auten (303)866-2252 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|---|-------------|---|---|--------------------|------------------------|--|
| Department of Natural Resources | | | | | | |
| Division of Parks and Recreation | | | | | | |
| 19 | 84 | Improve its internal controls by (a) ensuring that the total of the cash balances on the bank reconciliations and the Division's internal records agree to the total cash balance recorded on the State's accounting system, all differences are resolved in a timely manner, and that necessary adjustments are made; (b) completing the reconciliation between park pass revenue recorded on the Division's internal records and the amount recorded on the State's accounting system in a timely manner and making necessary adjustments in the proper fiscal year; and (c) ensuring that at a minimum, the results of the inventory are reviewed by an independent party to minimize risk of errors and irregularities. | N/A | Agree | 10/2006 | N/A |
| State Land Board Commission | | | | | | |
| 20 | 87 | Ensure that year-end accounts receivable and deferred revenue balances are properly stated by (a) performing a complete reconciliation monthly and at year-end that includes agreeing accounts receivable and deferred revenue balances on COFRS to supporting documentation and (b) making necessary adjustments identified in the reconciliation process to COFRS in a timely manner. | N/A | Agree | 6/2006 | N/A |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|---|-------------|---|---|--------------------|------------------------|--|
| Oil and Gas Conservation Commission | | | | | | |
| 21 | 89 | Ensure that the Director or his designee document approval of Board members' travel expenses prior to submission for payment in accordance with State and Department policies. | N/A | Agree | 6/2005 | N/A |
| Division of Wildlife | | | | | | |
| 22 | 91 | Strengthen its controls over personnel and payroll activities by verifying employment of all personnel on the Division's payroll and properly completing the Payroll Review Certifications or performing alternative procedures to ensure it pays only bona fide employees. | N/A | Agree | 2/2006 | N/A |
| Department of Personnel & Administration | | | | | | |
| 23 | 95 | Comply with deadlines and requested information required by the State Controller's Office for timely completion of the State's financial statements. | N/A | Agree | 8/2006 | N/A |
| 24 | 97 | Improve accounting controls by developing review procedures over the preparation of fiscal year-end exhibits prior to submitting the exhibits to the State Controller's Office to ensure the information is accurate and complete. | N/A | Agree | 8/2006 | N/A |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|--|-------------|--|---|--------------------|-------------------------------------|--|
| State Controller's Office | | | | | | |
| 96 | 303 | Work with institutions of higher education and the College Access Network to ensure that proper information for loans made through the Federal Family Education Loan Program is reported on the Schedule of Expenditures of Federal Awards. | 84.032 (L) DOE | Agree | 12/2006 | David McDermott (303)866-2739 |
| Department of Public Health and Environment | | | | | | |
| 25 | 103 | Comply with the limitation on disbursements and expenditures from the Children's Trust Fund established under Section 13-32-101(1)(a), C.R.S. and repay the \$17,358 in excess disbursements and expenditures from the Trust made during Fiscal Year 2005. | N/A | Disagree | N/A | N/A |
| Department of Public Safety | | | | | | |
| 26 | 106 | Improve its controls over COFRS access by ensuring that employees' access to COFRS is appropriate for their job responsibilities. | N/A | Agree | 4/2006 | N/A |
| Department of Revenue | | | | | | |
| 27 | 112 | Continue reviewing manual adjustments made to taxpayer returns by (a) continuing to perform reviews of data entered into its system on all income tax returns with income of \$10 million or more, (b) establishing procedures to review computation of Colorado taxable income for returns with income of \$10 million or more, and (c) determining that for tax years 2002 and earlier there is supporting documentation for all credits claimed to ensure that only qualifying credits are claimed. | N/A | Agree | a. 5/2006 b. 7/2006 c. 4/2006 | N/A |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|----------|----------|--|--|-----------------|---------------------------------------|------------------------------------|
| 28 | 115 | Improve controls over review of edits performed on tax returns by (a) ensuring that secondary reviews are being performed in accordance with the Department's policy and (b) ensuring that edits performed by supervisory staff for changes in withholding amounts in excess of established threshold are approved by another supervisory staff or senior supervisor, as applicable. | N/A | Agree | 6/2006 | N/A |
| 29 | 117 | Improve controls over processing severance tax refunds by (a) following the refund policy of the business tax section or establishing a separate policy, (b) requiring an adequate segregation of duties between the processing and approval functions, and (c) implementing higher levels of review for refunds exceeding certain thresholds. | N/A | Agree | a. 11/2005 b. 11/2005 c. 6/2006 | N/A |
| 30 | 119 | The Information Technology Division should continue to improve its password usage policy to prevent unauthorized access to the Department's network and confidential information by (a) instructing and assisting employees on locking the computers and setting up password protection on their computers, (b) training employees on the importance of password protection and securing their computers, and (c) requiring employees to use a password-protected screensaver set to activate after a maximum of 15 minutes of inactivity. | N/A | Agree | a. 5/2006 b. 6/2006 c. 5/2006 | N/A |
| 31 | 122 | Establish adequate controls over year-end tax accruals by implementing a thorough review by knowledgeable staff of estimates and other calculations prior to posting to ensure that year-end balances are correct. | N/A | Agree | 6/2006 | N/A |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|--------------------------------------|-------------|--|---|--------------------|-------------------------------------|--|
| 32 | 124 | The Tax Conferee Section should improve its tabulation process for recording receivables, payables, and corresponding adjustments to revenue on the State's accounting system by (a) ensuring that interest accrued on outstanding balances is included in the computation, (b) ensuring that information on supporting schedules is properly carried forward to summary schedules, and (c) requiring that schedules be reviewed by a supervisor or other knowledgeable staff in the Tax Conferee Section. | N/A | Agree | a. 7/2005 b. 7/2006 c. 7/2006 | N/A |
| 33 | 127 | Improve controls over cigarette taxes by (a) implementing a supervisory review process to ensure that cigarette taxes and related vendor fees are properly calculated and recorded, and the proper amount is transferred to the Department of Treasury on a monthly basis; and (b) recalculating the vendor fees to ensure that all the taxpayers claimed correct amounts. | N/A | Agree | a. 6/2006 b. 5/2006 | N/A |
| Office of the State Treasurer | | | | | | |
| 97 | 306 | Obtain and use the most current and accurate information available on federal program expenditures each year to amend the Treasury-State Agreement. | 10.561, 17.258, 17.259, 17.260 (C) USDA, DOL | Agree | 7/2006 | JoAnn Vondracek (303)866-5826 |

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

| Rec. No. | Page No. | Recommendation Summary | CFDA No. / Compliance Requirement / Federal Entity | Agency Response | Implementation Date | Contact for Corrective Action Plan |
|-------------------------------------|----------|---|--|-----------------|---|------------------------------------|
| Department of Transportation | | | | | | |
| 34 | 137 | Implement adequate controls over year-end reconciliations by (a) establishing a realistic schedule for the completion of reconciliations of significant balance sheet accounts on a monthly basis, (b) assigning staff to perform the reconciliations, (c) designating a supervisor to monitor compliance with the timeline for completion of the reconciliations in Part (a) above, and (d) designating a supervisor to perform a review of all journal entries. | N/A | Agree | a. 6/2006 b. 6/2006 c. 6/2006 d. Implemented | N/A |
| 35 | 138 | Improve controls over expense reimbursements by ensuring that someone other than the individual incurring the expense reviews and approves the expense report. | N/A | Agree | 4/2006 | N/A |
| 36 | 140 | Annually compare the amount of the estimated accrual to the actual results for construction project expenditures and use the most recent years' actual construction project expenditures and accruals as the basis for the current year's accrual calculation. | N/A | Agree | 6/2006 | N/A |
| 37 | 141 | Improve controls over user access to information systems by (a) developing and implementing a policy that states explicit criteria that should be considered in a periodic review of user access, the required frequency of the reviews, and the appropriate personnel responsible for performing the review; (b) providing training for system managers and administrators to ensure responsible personnel are aware of existing policies, procedures, and access requirements; and (c) documenting monitoring procedures to ensure that policies and procedures related to periodic review of user access are followed. | N/A | Agree | 2/2007 | N/A |

Compliance Requirements

- (A) Activities Allowed or Unallowed
- (B) Allowable Costs/Cost Principles
- (C) Cash Management
- (D) Davis-Bacon Act
- (E) Eligibility
- (F) Equipment and Real Property Management
- (G) Matching, Level of Effort, Earmarking
- (H) Period of Availability of Federal Funds
- (I) Procurement, Suspension, and Debarment
- (J) Program Income
- (K) Real Property Acquisition and Relocation Assistance
- (L) Reporting
- (M) Subrecipient Monitoring
- (N) Special Tests and Provisions
- (P) Other

Federal Entities

BIA - Bureau of Indian Affairs
CSREES - Cooperative State Research, Education, and Extension Service
DARPA - Defense Advanced Research Agency
DHS - Department of Homeland Security
DOC - Department of Commerce
DOD - Department of Defense
DOE - Department of Education
DOJ - Department of Justice
DOI - Department of the Interior
DOL - Department of Labor
DOT - Department of Transportation
DVA - Department of Veterans Affairs
EPA - Environmental Protection Agency
FEMA - Federal Emergency Management Agency
HHS - Department of Health and Human Services
HUD - Department of Housing and Urban Development
IMLS - Institute of Museum & Library Services
NIST - National Institute of Standards and Technology
NOAA - National Oceanic & Atmospheric Administration
NSF - National Science Foundation
SSA - Social Security Administration
USDA - United States Department of Agriculture

APPENDIX B

Net Passed Audit Adjustments by Agency For the Fiscal Year Ended June 30, 2005 Increase (Decrease)

| Agency Name | Asset | Liability | Net Assets | Revenue | Expenditure |
|----------------------------------|----------------|--------------|--------------|-------------|--------------|
| Agriculture | \$ (26,657) | \$ (8,768) | \$ - | \$ - | \$ 17,889 |
| Corrections | - | - | - | - | - |
| Education | (362,875) | (362,875) | - | (362,875) | (362,875) |
| Governor | - | - | - | - | - |
| Health Care Policy and Financing | - | - | - | - | - |
| Higher Education | 1,555,155 | 2,690,500 | (559,456) | 2,379,402 | 2,955,291 |
| Human Services | (2,064,972) | 601,576 | - | (1,175,290) | 1,491,258 |
| Judicial | (103,384) | (103,384) | - | - | - |
| Labor and Employment | - | - | - | - | - |
| Law | - | - | - | - | - |
| Legislative | - | - | - | - | - |
| Local Affairs | (605,106) | - | - | - | 605,106 |
| Military Affairs | - | - | - | - | - |
| Natural Resources | 649,881 | (32,558) | 294,935 | 387,504 | - |
| Personnel and Administration | - | - | - | - | - |
| Public Health and Environment | - | - | - | - | - |
| Public Safety | - | - | - | - | - |
| Regulatory Agencies | - | - | - | - | - |
| Revenue | - | - | - | - | - |
| State | - | - | - | - | - |
| Transportation | (1,076,829) | (718,181) | - | (568,048) | (209,400) |
| Treasury | (294,935) | - | (294,935) | - | - |
| Net Increase (Decrease) | \$ (2,329,722) | \$ 2,066,310 | \$ (559,456) | \$ 660,693 | \$ 4,497,269 |

**Gross Passed Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2005**

| Agency Name | Asset | Liability | Net Assets | Revenue | Expenditure |
|---|----------------------|---------------------|---------------------|----------------------|----------------------|
| Agriculture | \$ 295,571 | \$ 8,768 | \$ - | \$ - | \$ 35,425 |
| Corrections | - | - | - | - | - |
| Education | 362,875 | 362,875 | - | 362,875 | 362,875 |
| Governor | - | - | - | - | - |
| Health Care Policy and Financing | - | - | - | - | - |
| Higher Education | 24,317,829 | 6,328,738 | 1,251,770 | 6,838,572 | 12,091,613 |
| Human Services | 2,982,280 | 601,575 | - | 2,195,100 | 1,607,516 |
| Judicial | 310,151 | 103,384 | - | - | - |
| Labor and Employment | - | - | - | - | - |
| Law | - | - | - | - | - |
| Legislative | - | - | - | - | - |
| Local Affairs | 605,106 | - | - | - | 605,106 |
| Military Affairs | - | - | - | - | - |
| Natural Resources | 649,881 | 32,558 | 294,935 | 387,504 | - |
| Personnel and Administration | - | - | - | 8,238 | - |
| Public Health and Environment | - | - | - | - | - |
| Public Safety | - | - | - | - | - |
| Regulatory Agencies | - | - | - | - | - |
| Revenue | - | - | - | - | - |
| State | - | - | - | - | - |
| Transportation | 1,495,629 | 718,181 | - | 568,048 | 209,400 |
| Treasury | 294,935 | - | 294,935 | - | - |
| | \$ 31,314,257 | \$ 8,156,079 | \$ 1,841,640 | \$ 10,360,337 | \$ 14,911,935 |

**Net Posted Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2005
Increase (Decrease)**

| Agency Name | Asset | Liability | Net Assets | Revenue | Expenditure |
|---|----------------------|----------------------|----------------------|-----------------------|----------------------|
| Agriculture | \$ 5,316 | \$ - | \$ - | \$ 796,293 | \$ 790,977 |
| Corrections | - | - | - | - | - |
| Education | (362,875) | (362,875) | - | (362,875) | (362,875) |
| Governor | - | - | - | - | - |
| Health Care Policy and Financing | 101,481,453 | (344) | - | 78,556,073 | (22,925,724) |
| Higher Education | 27,423,657 | 10,953,560 | 16,788,516 | (6,380,472) | (6,062,053) |
| Human Services | 254,790 | (5,799,591) | - | 5,758,802 | (295,579) |
| Judicial | - | - | - | - | - |
| Labor and Employment | (2,398,301) | (3,163,251) | 1,500,000 | (2,496,717) | (1,761,667) |
| Law | - | - | - | - | - |
| Legislative | - | - | - | - | - |
| Local Affairs | 467,588 | 359,955 | - | (359,955) | (467,588) |
| Military Affairs | - | - | - | - | - |
| Natural Resources | (4,888,351) | 758,789 | (7,605,045) | 1,965,666 | 7,761 |
| Personnel and Administration | (7,787,322) | (6,541,511) | 278,382 | (818,144) | 706,049 |
| Public Health and Environment | - | (270,987) | - | 270,987 | - |
| Public Safety | - | - | - | - | - |
| Regulatory Agencies | (98,033) | - | - | (129,498) | (31,465) |
| Revenue | 16,732,440 | 93,454,344 | - | (76,721,904) | - |
| State | - | (446,857) | - | 446,857 | - |
| Transportation | (113,090,328) | (4,087,170) | - | (4,967,238) | 104,035,920 |
| Treasury | 411,185 | (5,390,298) | - | 411,185 | (5,390,298) |
| Net Increase (Decrease) | \$ 18,151,219 | \$ 79,463,764 | \$ 10,961,853 | \$ (4,030,940) | \$ 68,243,458 |

**Gross Posted Audit Adjustments By Agency
For Fiscal Year Ended June 30, 2005**

| Agency Name | Asset | Liability | Net Assets | Revenue | Expenditure |
|---|----------------|------------------|-------------------|----------------|--------------------|
| Agriculture | \$ 3,480,670 | \$ - | \$ - | \$ 796,293 | \$ 790,977 |
| Corrections | - | - | - | - | - |
| Education | 362,875 | 362,875 | - | 362,875 | 362,875 |
| Governor | - | - | - | - | - |
| Health Care Policy and Financing | 138,129,371 | 344 | - | 101,447,865 | 23,059,628 |
| Higher Education | 141,329,307 | 72,191,998 | 79,088,794 | 34,223,070 | 25,969,075 |
| Human Services | 383,216 | 5,915,943 | - | 6,272,190 | 37,197,290 |
| Judicial | - | - | - | - | - |
| Labor and Employment | 2,398,301 | 764,436,885 | 24,508,000 | 2,574,477 | 7,761,667 |
| Law | - | - | - | - | 241,240 |
| Legislative | - | - | - | - | - |
| Local Affairs | 514,665 | 359,955 | - | 359,955 | 2,609,547 |
| Military Affairs | - | - | - | - | - |
| Natural Resources | 22,659,049 | 4,343,529 | 7,605,045 | 1,969,624 | 8,931 |
| Personnel and Administration | 37,395,351 | 36,655,656 | 278,382 | 2,266,918 | 14,189,393 |
| Public Health and Environment | - | 270,987 | - | 270,987 | - |
| Public Safety | - | - | - | - | - |
| Regulatory Agencies | 452,805 | - | - | 129,498 | 183,909 |
| Revenue | 89,931,943 | 131,507,376 | 2,666,320 | 175,283,371 | - |
| State | - | 446,857 | - | 446,857 | - |
| Transportation | 178,854,698 | 698,746,190 | 1,129,570,546 | 6,710,724 | 332,289,190 |
| Treasury | 11,999,059 | 6,197,575 | - | 32,456,754 | 35,214,601 |
| | \$ 627,891,310 | \$ 1,721,436,170 | \$ 1,243,717,087 | \$ 365,571,458 | \$ 479,878,323 |

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